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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

Hoy's Inc., Skill Properties, LLC, James
Massengill, Kaylea Massengill and Haldun,
Inc.,

Plaintiffs/Counter-
Defendants,

vs.

EBJ&F, LLC, Med-Health Pharmaceutical
Products, LLC and Edwin Fujinaga,

Defendants.

EBJ&F, LLC, Med-Health Pharmaceutical
Products, LLC and Edwin Fujinaga,

Counterclaimants,

Hoy's Inc., Skill Properties, LLC, James
Massengill, Kaylea Massengill and Haldun,
Inc., DOES I through X; ROE
CORPORATIONS XI through XX, inclusive,

Counter-Defendants.

Case No.: 2:13-cv-00912-APG-VCF

**JOINT MOTION AND [PROPOSED]
ORDER TO STAY PROCEEDINGS**

Plaintiffs/Counter-Defendants Hoy's Inc., Skill Properties, LLC, James Massengill, Kaylea
Massengill, and Haldun Inc., and Defendants/Counterclaimants EBJ & F, Med-Health
Pharmaceutical Products, and Edwin Fujinaga (the "**Parties**") respectfully move the Court for entry
of the attached proposed Order for a stay of this matter pending appointment of a receiver for Edwin

1 Fujinaga in litigation before the Honorable District Court in Case No. 2:13-cv-1658-JCM-CWH (D.
2 Nev.) (the “**SEC Litigation**”) between Fujinaga and the Securities and Exchange Commission
3 (“**SEC**”).
4

5 1. On April 14, 2014, the Parties held a private mediation and reached an agreement to
6 settle this matter. As there were two separate lawsuits involving the Defendants/Counterclaimants
7 in which injunctions had been entered, the Parties’ agreement was made contingent upon court
8 approval in the action described above, as well as in one other action—Case No. 2:13-cv-01183-
9 JAD-VCF (D. Nev.).
10

11 2. On May 19, 2014, a final settlement agreement was executed by the Parties
12 (“**Agreement**”). The Parties requested a stay from this Court on May 27, 2014 (Doc. 43), and the
13 Court granted the stay on May 29, 2014 (Doc. 45).
14

15 3. For various reasons, the SEC did not approve of the settlement. The Parties sought
16 alternative settlement arrangements, and conceptually reached a tentative solution, but were unable
17 to finalize a written settlement agreement.
18

19 4. So the Parties moved to recommence the litigation by submitting a Stipulated
20 Discovery Plan and Proposed Amended Scheduling Order on October 10, 2014. (Doc. 58). The
21 Court approved the Stipulation and Proposed Order the same day. (Doc. 59).
22

23 5. The Parties requested and made initial additional discovery disclosures and continued
24 to address settlement. In light of the settlement discussions, the parties agreed not to engage in any
25 further discovery or disclosure.
26

27 6. Now it appears that Mr. Fujinaga may be unable to continue any settlement talks in
28 this case. On October 30, 2014, the Court in the SEC Litigation approved the SEC’s motion to
appoint a receiver to control various assets owned or controlled by Mr. Fujinaga and requested a

1 proposed order. The Court in the SEC Litigation has recently set a briefing schedule on the SEC's
2 most recent proposed order.

3 7. Counsel for Defendants/Counterclaimants has indicated that because a receiver will
4 soon be appointed, Plaintiffs/Counter-Defendants should address settlement directly with the SEC
5 and the soon-to-be-appointed receiver.
6

7 8. Given that Fujinaga and the remaining Defendants/Counterclaimants lack any real
8 authority to discuss settlement of this litigation, the Parties respectfully request that the Court stay
9 the litigation once again until a receiver is put into place to run the affairs of Mr. Fujinaga and the
10 remaining Defendants/Counterclaimants.
11

12 Respectfully submitted,

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Attorneys for Plaintiffs/Counter-Defendants

[PROPOSED] ORDER

UPON CONSIDERATION of the Parties' Joint Motion to Stay Proceedings and for good cause shown, it is hereby ORDERED that the Joint Motion is GRANTED.

It is further ORDERED that litigation deadlines in this matter are STAYED until the appointment of a receiver in the SEC Litigation. Upon the appointment of a receiver, the Parties will have 90 days to submit an amended scheduling order in the event they are not able to settle this litigation.

SO ORDERED BY THE COURT:



UNITED STATES MAGISTRATE JUDGE

DATED: December 29, 2014